

**SUBJECT TO R.I.R.E.V. 408 - FOR SETTLEMENT PURPOSES ONLY**  
**CONFIDENTIAL**

**MEMORANDUM OF UNDERSTANDING**

1. Gulliver's hereby responds to the original Board of Licenses (the "Board") complaint as follows: Gulliver's does not dispute that there is evidence that solicitation occurred on the premises on the date stated in the complaint, but Gulliver's management and employees were unaware of it. Gulliver's admits no fault, but recognizes that a violation of R.I.G.L. §3-5-21 could be established. The parties further agree that there is no evidence that the violations resulted from the gross negligence of the licensee or an operator thereof which would cause triggering of the provisions of Section 14-17 (c) of the Providence City Code.

2. Gulliver's hereby accepts a sanction in the form of a ten-day suspension which will be deemed served as a result of Gulliver's having been closed by order of the Board for twenty-two days in December 2018 and January 2019. Gulliver's hereby releases the City from liability for the period of the closure in excess of the agreed suspension period, and the appeal currently pending before DBR will be withdrawn.

3. Gulliver's has modified the recent reconstruction of the area on the lower level of the premises, formerly known as the VIP room, to lower the partitions between the seating areas from four (4') feet to three (3') feet, and upon execution hereof, the City will forthwith verify the modification, whereupon the parties agree that all areas of the premises may reopen and resume operations.

4. The parties agree that Gulliver's licenses, which were renewed at the beginning of 2019 as conditional licenses due to the pendency of the Supreme Court action,

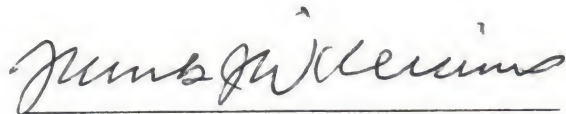
will no longer be conditional. However, said licenses shall be subject to renewal on the same terms and conditions as like and similar licenses within the City of Providence.

5. Going forward, the City will adhere to the protocol of progressive discipline as required by Section 6, Rules 2.2 and 6 of the Board's Licensing Rules, and by DBR precedent, implementing sanctions based on offense classifications, and the look back period for disciplinary history will be reduced from three years to two years during the period of the Monitorship provided for in paragraph 7 below, and will then revert to three years. The City agrees that the ten-day suspension imposed as part of this agreement shall not be considered a minimum sanction for purposes of future discipline.

6. With respect to any future violations, the disciplinary process will follow the current show cause protocol, consisting of a notice to show cause issued to the licensee, followed by a prehearing conference on potential resolution. The parties agree that in the event that the matter cannot be resolved at the conference, it may be mediated, at the election of either party, by the current Mediator, retired Supreme Court Chief Justice Frank Williams, at the expense of Gulliver's. In the event the mediation fails, the City may proceed to full show cause hearing.

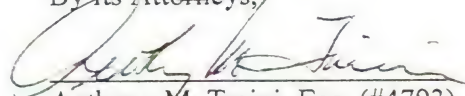
7. The parties agree that, upon execution of this Memorandum of Understanding, they will jointly request, in the form of the Joint Motion attached hereto, that the Supreme Court hold the appeal in abeyance during the implementation of the agreed settlement, by which (a) for a period of up to three (3) years from the date hereof, the Mediator, acting as a Monitor, shall oversee the settlement, including without limitation future compliance with the regulatory requirements of said licenses, random inspection of the premises and investigation for prostitution activity and, if sufficient evidence is found,

to close the premises on an emergency basis; verification that current and new employees are educated concerning the prohibition of prostitution on the premises; and the establishment of a confidential tip line that employees may use to report prostitution violations to the Monitor. The parties agree to the appointment of the present Mediator, retired Supreme Court Chief Justice Frank Williams as the Monitor. The Monitor's fees and expenses will be paid by Gulliver's; and (b) in the event of the imposition of any sanction imposed by the Board for a future violation during the three (3) year period referenced in this agreement, for which an appeal is taken to DBR, the parties agree that the decision by DBR will also be applicable to Gulliver's remaining licenses, and that the Monitor shall have the authority, in his discretion, to stay the enforcement of any such sanction imposed by the Board with respect to said licenses, pending any proceedings before DBR, or before the Superior Court, in the event of any appeal from a decision by DBR.



Fmr. Chief Justice Frank J. Williams (Ret.)  
Mediator/Monitor

Gulliver's Tavern, Inc.  
d/b/a/ The Foxy Lady,  
By Its Attorneys,

 5/30/19

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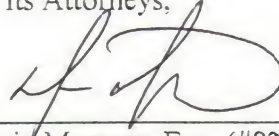
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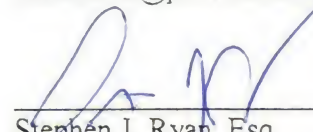
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City of Providence  
By Its Attorneys,



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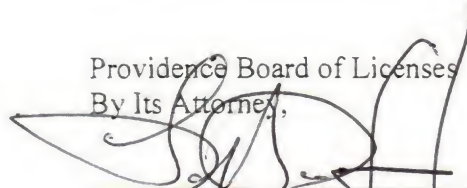
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Providence Board of Licenses  
By Its Attorney,



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